

**CITY COUNCIL OF THE CITY OF SAN DIEGO  
THE CLOSED SESSION MEETING REPORT  
FOR MONDAY AND TUESDAY, JUNE 28 AND 29, 2010  
CITY ADMINISTRATION BUILDING  
COMMITTEE ROOM – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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**REPORTING THE RESULTS OF THE CLOSED SESSION MEETING**

Only items that can be disclosed are reported out in the Open Session of the regular City Council Meeting. Public comment on Closed Session items are taken in Open Session. Please refer to the City Clerk’s minutes for Open Session for more information. Assistant City Attorney Mary Jo Lanzafame reports the results of the Closed Session Meeting of June 28 and 29, 2010, as follows:

**CLOSED SESSION MEETING FOR MONDAY, JUNE 28, 2010**

(Closed Session Items were heard on Tuesday, June 29, 2010.)

**CLOSED SESSION MEETING FOR TUESDAY, JUNE 29, 2010**

**ROLL CALL:**

Present: Mayor Sanders, Council President Hueso, and Councilmembers Lightner, Gloria, Young, DeMaio, Frye, and Emerald

Recused: Council President Pro Tem Faulconer-Dist. 2 (Recused for Item CS-3)

**CLOSED SESSION ITEMS:**

**Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):**

**CS-1 *Border Business Park, Inc. v. City of San Diego***  
San Diego Superior Court Case No. GIC692794

***National Enterprises, Inc. v. City of San Diego***  
San Diego Superior Court Case No. GIC730011

***Otay Acquisitions, LLC v. City of San Diego***  
San Diego Superior Court Case No. GIC753247

DCA Assigned: D. Karlin  
Outside Counsel: Kristine L. Wilkes, Latham & Watkins

Report: Nothing to report

**CS-2 *Costa Verde North Village LLC, et al. v. City of San Diego***  
San Diego Superior Court Case No. 37-2008-00098165-CU-WM-CTL

DCA Assigned: H. Stroud

Motion: Motion is to approve settlement. The settlement agreement provides dismissal of the case if the City approves the variance to the Inclusionary Housing Ordinance, fixing an in lieu fee of \$1.75 per square foot and having it payable on the sale of first unit. The settlement acknowledges the complete discretion of the City to approve or deny the variance.

Moved: Councilmember Emerald - Dist. 2

Seconded: Council President Hueso - Dist. 8

Vote: 8/0 [Passed unanimously]

Report: This item was reported out by Assistant City Attorney Mary Jo Lanza fame on Tuesday, June 28, 2010, @2:30 p.m.

Today, in Closed Session, the City Council voted on Closed Session Item No. 2, *Costa Verde North Village LLC, et al. v. City of San Diego*, San Diego Superior Court Case No. 37-2008-00098165-CU-WM-CTL, to approve the settlement agreement. This case involves a challenge to the City's application of the Inclusionary Housing Ordinance to two condominium conversion projects. The settlement agreement provides dismissal of the case if the City approves the variance to the Inclusionary Housing Ordinance, fixing an in lieu fee of \$1.75 per square foot and having it payable on the sale of first unit. The settlement acknowledges the complete discretion of the City to approve or deny the variance.

The motion passed unanimously 8 to 0.

**CS-3 *Thalheimer v. City of San Diego***  
United States District Court for the Southern District of California,  
San Diego Superior Court Case No. '09 CV 2862 IEG

DCA Assigned: N/A

Report: Nothing to report

**Conference with Labor Negotiators, pursuant to Government Code  
section 54957.6:**

**CS-4 Agency negotiators:** Scott Chadwick, Wally Hill, Judy von Kalinowski,  
Joan Dawson, William Gersten, and Lori Thacker

**Employee organizations:** San Diego Municipal Employees' Association and  
AFSCME Local 127 AFL-CIO

DCA Assigned: J. Dawson

Report: Nothing to report

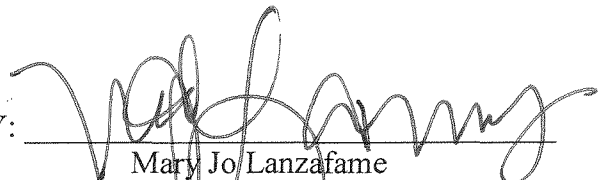
**Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):**

**CS-5** *AFSCME Local 127 and San Diego Municipal Employees Association v. City of San Diego*  
Public Employees' Relations Board Case No. LA-CE-352-M

DCAs Assigned: J Cordileone and J. Dawson

Report: Nothing to report

REPORTED BY: \_\_\_\_\_

  
Mary Jo Lanzafame  
Assistant City Attorney